IX Project Accounting

CALSTARS Project Accounting accumulates all accounting data in one place for a specific function, activity or contract, even though multiple appropriations, programs, and/or funding sources may have been included. Project Accounting usually requires maintaining and reporting accounting information for a period that overlaps several appropriation years or has a reporting period different from the state fiscal year. Project Accounting may also be used to account for a grouping of costs that require high visibility but does not conveniently fit the agency's program or organizational structure.

The source of data input for projects is the Project Control Table. This coding may be entered on various financial transactions or looked up in the Index Code or PCA tables.

The Grant Project File (GP) is used to keep project information. It maintains accounting information at predetermined levels for the length of the project from inception to current date. Although not as complete, some project reporting is available through most of the CALSTARS reporting files.

USES OF THE GRANT PROJECT FILE

There are two basic types of uses for project information. Each is discussed below.

Mandatory Uses

The GP File must be used for Federal Fund Accounting - Only the GP File carries the Federal Catalog Number, which is required for all Federal Trust Fund accounts.

Helpful Applications

The GP File is useful for:

- ✪ Inception-to-date accounting - capturing costs for an activity that extends for more than one state fiscal year or that has start and end dates in more than one fiscal year.

- ✪ State reimbursable contracts.

- ✪ Local assistance grants - provides information at the vendor (local agency) level when Vendor Number is coded on all transactions.

- ✪ Specific period accounting - where costs incurred only within a specified starting and ending date, are allowed.

- ✪ Unique high visibility accounting - where costs incurred cross conventional program and organizational lines, and perhaps include multiple funds.

TABLES THAT AFFECT THE GRANT PROJECT FILE

The following CALSTARS tables must be established in the order listed below before Project Accounting can begin:

D42 Project Descriptor Table - Establishes the 6-digit alphanumeric project code and title. This table is used for editing other tables and for certain report titles.

D40 Federal Catalog Number Descriptor Table - Used to establish the 5-digit federal program and 3-digit SCO Account Number. The SCO must receive and have an approved form AUD-10A on file from the agency before establishing the SCO Account Number.

Vendor Edit (VE) Table - Defines vendor information for the Project File. (The VE Table is also used with local agency grant accounting.)

Project Control (PC) Table - Defines the financial reporting and editing for the Project Number and Work Phase.

D23 Fund Detail Descriptor Table *(optional, if needed)* - Establishes Fund Detail for the project funds. An indicator in this table that determines if the GP File data is to post at the Fund Detail level.

Program Cost Account (PA) Table - Provides for the coding of Project Number/Work Phase in two places:

> Disbursing Fund Segment - Becomes part of the initial accounting transaction; and,

> Ultimate Fund Segment - Becomes part of the Cost Allocation/Fund Split lookup process even if the project allocation option is not used. (See section *Project Number/Work Phase in Fund Split*).

Index Code (IC) Table - Allows coding Project Number/Work Phase by organization. Whenever the Index Code is used, the appropriate Project Number/Work Phase is looked up and posted to the GP File. This feature should be used only when there is a direct relationship between Index Code and Project Number/Work Phase.

Cost Allocation (CA) Table - Contains an indicator (Alloc-by-Project) that allows the Project Number/Work Phase to be part of the computation of the base in the Cost Allocation process.

> **WARNING**: This significantly increases the volume of transactions generated.

D48 Object Conversion Descriptor Table - Allows agencies to group various Object Detail codes together (*optionally*, Agency Object code) and designate another Object Detail code (*optionally*, Agency Object code) on some GP File Reports.

DATA ELEMENTS IN THE PROJECT CONTROL TABLE

This section provides insight into the use of the PC Table, some of the interrelationships between components of the table, and the relationships to other tables. This section is not intended to restate the detailed coding instructions for the PC Table contained in Volume 2, Chapter IV-PC.

The PC Table is used to establish the valid Work Phases for the Project Number. Up to 100 Work Phases may be established for each Project. Work Phase may be used to designate any subdivision of Project (e.g., Federal Fiscal Year, various steps/stages in capital outlay activities, amendments to a continuing contract, etc.). The Project Number code may be alpha, numeric, or alpha/numeric; but the Work Phase must be numeric.

For the rest of this chapter, the combination of Project Number/Work Phase is referred to as "PN/WP".

Assigning a Project Number/Work Phase

When there is a direct relationship between an Index Code or PCA and a PN/WP, the PN/WP should be part of the applicable table. The appropriate PCA or Index Code is coded in the transaction. CALSTARS "looks up" the associated PN/WP that is contained in the PCA or Index Code. This avoids the problem of "forgetting" to include the PN/WP on the transaction, or keying an incorrect but valid PN/WP.

If there is no direct relationship between PN/WP and PCA or Index Code, the PN/WP must be coded on each transaction. When manually coding the PN/WP to the transaction, make certain that the appropriate PN/WP is coded and not accidentally omitted. One method to insure that the PN/WP is coded on all transactions is by using a certain PCA or Index Code to:

✪ Establish a "dummy" PN/WP in the PC Table. (Suggestion: use Project Number **999999** with Work Phase **99**.)

✪ Code this PN/WP on the applicable PCA or Index Code table.

✪ After the PA or IC tables are established, use the Delete (**D**) Function to remove the "dummy" PC Table entry from the file.

Only accounting transactions with valid PN/WPs post because:

✪ If the "dummy" PN/WP is accidentally used, the transaction posts to the Error File because there is no longer a PC Table entry for **999999-99**.

✪ If no PN/WP is coded on the transaction, it also posts to the Error File. The transaction looks up the "dummy" PN/WP from the PCA or Index Code, does not find a supporting PC Table entry, and then goes to the Error File.

✪ Only a valid PN/WP way be used to correct the Error File.

Selection Order for Processing Project Number/Work Phase

The PN/WP order of selection by CALSTARS is:

1. Directly coded PN/WP (overrides all lookup options)

2. Looked up from a PCA

3. Looked up from an Index Code

If a PN/WP if a PN/WP is not found at one level, the system looks to next level.

GRANT PROJECT FILE RECORD KEY

The GP File uses a complex key, as described below. If one or more of the data elements are not part of the accounting transaction, the system sets them to zeros. All values are generated by the accounting transaction, unless otherwise specified.

Organization Code - Determined by the sign on.

Project Number/Work Phase - May be directly coded on the transaction or looked up from either the PA or IC tables. Direct coding takes precedence over lookup. If a PN/WP is identified on both the PA and IC tables, the PN/WP on the PA Table takes precedence.

PCA Number - When present in a transaction with a PN/WP.

Fund - May be coded on the transaction or looked up by the PCA. Fund is included in the GP File only when the PC Table Object Level Indicator is set to a numeric value (**0-4**). If set to an alpha value (**A-E**), Fund is not included in the GP File.

Fund Detail - May be coded on the transaction or looked up by the PCA. Fund Detail is present in the Grant Project File and key only when the PC Table Object Level Posting Indicator is set to a numeric value (Object and Fund), and the Grant Project Fund Level indicator in the D23 Table is set to **1** (Control at Fund Detail). If the PC Table Object Level Posting Indicator is an alpha value (**A-E**), Fund Detail is not included in the GP File.

Fund Source - May be coded on the transaction or looked up by the PCA. Fund Source is present only when Fund is present.

Category, Object, Object Detail, and Agency Object - Presence is determined by the PC Table Object Level Posting Indicator as shown in this table:

Data Element	Object Level Indicators - Pc Table									
	No Fund					Fund				
	A	B	C	D	E	0	1	2	3	4
Category		Y	Y	Y	Y		Y	Y	Y	Y
Object			Y	Y	Y			Y	Y	Y
Object Detail				Y	Y				Y	Y
Agency Object					Y					Y

Y = present in GP File; **blank** = no entry

Source - Present only when the Revenue Posting Indicator in the PC Table is **1** or **2**, and Source code is used in the accounting transaction. If set to **0**, Source code is not posted in the GP File.

Agency Source - Present only when the Revenue Posting Indicator is set to **2**, and Agency Source code is used in the accounting transaction. If set to **0** or **1**, Agency Source code is not included in the GP File.

Vendor Number/Suffix - Present only when the Project Type in the PC Table is set to **3** or **D** (indicating Local Agency Grant) and the Vendor Number/Suffix is coded in the accounting transaction.

REPORTS CONTAINING PROJECT INFORMATION

Volume 6, Chapter II has descriptions and samples of standard CALSTARS reports. Exhibit IX-1 shows reports that are sorted by, requestable by or contain PN/WP.

GRANT PROJECT FILE AND YEAR-END PROCESSING

When a PN/WP is closed and there is no more activity (all activity is recorded and all reports have been ordered), an agency may wish to purge the records from the GP File. Since neither Enactment Year nor Funding Fiscal Year is part of the record key in the GP File, records remain on file indefinitely if the PC Table record is not deleted. An automatic purge takes place during year-end closing (YEC); however, no record is purged without the agency taking a specific action to delete the PN/WP from the PC Table. To do this:

✪ Order any reports required for historical or audit purposes;

✪ Once satisfied that all reports are on hand, check to be sure that the reports are complete; and

✪ Delete the PC Table record for the PN/WP entry through table maintenance.

EXHIBIT IX-1
REPORTS WITH PROJECT NUMBER INFORMATION

Report Number/Title	PN/WP used for sort or is shown in body of report	PN/WP available as Level of Detail option		Special Selection option for PN/WP
		Pgm	Fund	
C02 - Federal Authorization and Cash Tracking Report - 44 Account	(Sort by FCN)			
D01 - Document Report of Encumbrances, Obligations and Payables	Y	Y		Y
D03 - Accounts Receivable Aging Report	Y	Y		Y
D04 - Receivable Status Report	Y	Y		Y
D05 - Document Report of Claims Filed	Y			
D06 - Document Report by Appropriation	Y			Y
D07 - Year-end Document File Report of Encumbrances (GLAN 6150)	Y			Y
D09 - Document Report by General Ledger, Subsidiary Account & Document Number	Y		Y	Y
D10 - Document Report by General Ledger, Subsidiary Account & Object	Y		Y	Y
D11 - Report of Document File records with Abnormal Balances	Y	Y		Y
D14 - Encumbrance & Obligation Documents Supporting the Q19 Report	Y			
D15 - Encumbrance & Obligation Documents Supporting the Q18 Report	Y			Y
D16 - Document Report for SCO Reconciliation	Y			Y
D17 - Document Report by Project & GL	Y			Y
F01 - Summary of Project Revenues and Expenditures	Y	Y		Y
F05 - Summary of Letter of Credit Balance	Y			
G01 - Trial Balance of General ledger Accounts	Y		Y	
G02 - Year-end General Ledger Report (Series)	Y		Y	
G03 - Trial Balance by Transaction Code	Y		Y	
G04 - Year-end Statements for Special Funds (Series)	Y		Y	
HB5 - Analysis of General Cash Receipts and Disbursements Register	Y			
HG1 - General Ledger Account Analysis	Y		Y	
HP1 - Project Transaction Analysis Report	Y			Y
H00 - Transaction Registers	Y			Y
H03 - General Cash Receipts & Disbursements Register	Y			
H04 - Claims in Process and Filed Activity Report	Y			
H05 - SCO Remittance Advice Worksheet	Contains FCN			
H1A - PCA Transaction Analysis Report	Y			Y

EXHIBIT IX-1 (CONTINUED)
REPORTS WITH PROJECT NUMBER INFORMATION

Report Number/Title	PN/WP used for sort or is shown in body of report	PN/WP available as Level of Detail option		Special Selection option for PN/WP
		Pgm	Fund	
I01 - Listing of Index Codes by Sub-Section	Y			
L01 - Labor Distribution by PCA, Index, Unit and Name	Y			Y
L02 - Labor Distribution by Index, PCA, Unit and Name	Y			Y
Q18 - Detail of Project Workphase Expenditures/Receipts/Units by Fund, Program and Organization	Y			Y
Q19 - Detail of Project Workphase Expenditures/Receipts/Units by Fund, Organization and Program	Y			Y
Q22 - PFA Worksheet by Program	Contains FCN			
Q23 - PFA Worksheet by Category	Contains FCN			
Q28 - Summary of Project Expenditures/Receipts/Units by Fund, Program and Organization	Y			Y
Q29 - Summary of Project Expenditures/Receipts/Units by Fund, Organization and Program	Y			
Q32 - Plan of Financial Adjustment Worksheet by Project	Y			
Q33 - Plan of Financial Adjustment Worksheet by Federal Catalog Number	Y			
Q34 - Report of Expenditures of Federal Funds	Title only			
S01 - Report of Subsidiaries on File	Y		Y	
U01 - Vendor Payment Detail Report	Y			
Y01 - Listing of Accruals to be Reversed in the New Year	Y			

Y = present or used in report; **blank** = not available; **FCN** = Federal Catalog Number

When the Year-end Close process (**C**-Close) is run, all Grant Project File records with PN/WP's that were deleted from the PC Table are purged as part of the Year-end Close process.

NOTE: Agencies should order any required reports for historical or audit purposes and verify the reports are complete because once the purge process is run, there is no recovery.

For more information, see Volume 7, Chapter VI, *Automated Year-end Close Process* section, *Grant Project File Purge* subsection.

FINANCIAL EDITS ON GRANT PROJECT FILE RECORDS

CALSTARS automatically assigns PCA code **00000** to financial transactions when fund controls are in place This activity is describe below.

Use of PCA 00000

Agencies may decide if they want to account for projects by separate general ledger within a fund, and if they want to control project funds (expenditures and revenues) by PCA. (In the *Project General Ledger Accounting* section of this chapter, it is recommended that neither of these options be selected–unless there are special circumstances, e.g., Federal Trust Fund accounting, etc.)

✪ When the GL Indicator is set to **0** or **1**, the Budget Allowable must be recorded without a PCA. The coding uses PN/WP, Appropriation Symbol, Fund Source, Fund, Fund Detail (if applicable), and Method. If a PCA is used, an E43-PCA NOT ALLOWED PER PC error message is issued. Since there is no PCA to be used for fund edits, CALSTARS establishes PCA **00000** to be used in all encumbrance/expenditure transaction edits instead of the actual PCA.

✪ When the GL Indicator is set to **A** or **B**, the Budget Allowable must be recorded with a PCA. An E44-PC EDIT REQUIRES PCA error message is issued if a PCA is not present. That PCA is used for the fund edits.

The following table illustrates the possibilities:

	General Ledger Posting Indicator			
	0	**1**	**A**	**B**
Use Project General Ledger?	No	Yes	No	Yes
Is Fund Control by PCA?	No	No	Yes	Yes
Build Alternate key with PCA 00000?	Yes	Yes	No	No
Is 'Budget Allowable' and 'Budget Other' loaded with the PCA?	No	No	Yes	Yes

Financial Edits Performed

If the Project Type in the PC Table is set to **0** or **A** indicating an Agency Project, all of the project financial edits are turned off. If the Project Type is **1-4** or **B**-**E**, project financial edits are performed.

Agencies may control whether transactions not satisfactorily passing all edits are to post to the Error File, or post the master files, but with an advisory message on the Error File. (See the Volume 2, Chapter IV-PC, data element Appropriation Control Type Indicator). When the Appropriation Control Type Indicator in the PC Table is set to **1**-Absolute and the OC Table Error Severity Indicator is set to **F** (or **blank**)-Fatal, transactions in error post to the Error File. Listed below are the details of those edits:

PCA PRESENT?	GL POSTING LEVEL INDICATOR	EDIT
No	**0** or **1**	(a) Budget amount must be present and must be a credit amount. If not issue F50, F51 or F52 error. (b) The sum of Budget Allowable, Budget Other, Accrued Expenditures, Expenditures, Encumbrances, Obligations and Advances must be a credit amount. If more than zero, issue F53, F54 or F55 error.
Yes	**0** or **1**	FIRST POSTING TO PCA **00000**: Edits per (a) above. SECOND POSTING to actual PCA: No financial edits.
No	**A** or **B**	PCA must be present for GL Edit by PCA. A data-related error message is issued.
Yes	**A** or **B**	Both edits (a) and (b), above, are preformed.

Financial Posting to PCA 00000

When the General Ledger Posting Level Indicator is set to **0** or **1** as shown in the table above, CALSTARS posts to Accrued Expenditures, Expenditures, Encumbrances or Obligations twice:

✪ First, to the GP File record with the actual PCA to whichever fields the Transaction Code indicates; and to the Budget Allowable field, but with the opposite sign; and

✪ Second, to the GP File record with the PCA **00000**, Budget Allowable field without any alteration of sign.

Caution should be exercised when using GP File reports ordered at the PCA level if the General Ledger Posting Indicator is set to **0** or **1**. Since amounts in the "Budget Allowable" column of each actual PCA are offset in part by the amount in the "Budget Allowable" column of PCA 00000, the Budget Allowable and Available Balance amounts of the actual PCA may not correctly identify the accounting activity.

FEDERAL TRUST FUND ACCOUNTING

Grant Project Accounting is a requirement for agencies using Fund 0890, Federal Trust Fund. <u>All transactions that are to post to the Federal Trust Fund require a PN/WP.</u> One reason for this is that the Federal Catalog Number is only accessible through the PN/WP as established in the PC Table. The PN/WP becomes part of the accounting transaction either through direct coding or through "lookup".

There are other Federal Funds with a UCM fund source of **F** that require grant project accounting. For appropriate indicator settings, contact a CALSTARS analyst.

Listed below are the minimum recommended indicator settings for the PC Table to accomplish Federal Trust Fund accounting:

<u>Revenue Posting Level Indicator</u> - Set to Source Code Level. (code **1**)

<u>Object Posting Level Indicator</u> - Set to Category level (code **B** or **1**). Accounting without regard to fund (code **B**) is less complex; with fund (code **1**) is more complex.

<u>Cash Control Type</u> - Set this indicator to **1**-Absolute or **2**-Advisory based on agency and Federal agency policy. If Authorized Balance is not posted, set this indicator to **0**-No Control. This controls the posting that is recorded in the Cash Control File. If the Beginning Authorization Balance is less than the cash receipts, errors F24-F26, 'FED AUTH OVEREXP - **CM***n* or -**PY13**' is issued. The severity of this error is determined by the combination of the Cash Control Type indicator and the error severity indicator in the OC Table. We recommend setting the OC Table to **F** (or **blank**)-Fatal; then controlling the severity by using the Cash Control Type indicator for each PN/WP. The possibilities are described in the table below:

PC Table	OC Table		
Cash Control Type Indicator	Error Severity Indicator		
	F or **blank**-Fatal	**W**-Warning	**I**-Ignore
1 - Absolute	Posts to Error File	Posts with Warning	Posts
2 - Advisory	Posts with Warning	Posts with Warning	Posts

PROJECT GENERAL LEDGER ACCOUNTING

Agencies may establish a separate General Ledger for each project. Project General Ledgers may be used when necessary to prepare reports to the granting agency at the level of the grant and not the whole fund and for cash on SCO reconciliation. Even though a General Ledger is established for a project, the values are still posted to the overall General ledger for the fund within the agency.

When a Project General Ledger is established, the indicator must be set *consistently* at the same level for all work phases of that Project Number throughout the life of the Project Number.

Project General Ledger adds another level of complexity to project accounting. Unless there are compelling reasons to keep projects segregated by General Ledger, this feature should be avoided.

PREPAYMENT/ADVANCE ACCOUNTING

Advance payments made to vendors are recorded as Advances in the GP File when the prepayment is posted. When the Advance is cleared, the Expenditure amount is posted in the GP File and the Advance is reduced. The purpose for this posting to the GP File is to record Expenditures when they are reportable to the funding agency.

The following table identifies the accounting transactions used to record Prepayments/Advances and the GP File effect.

Event	TC(s)	GP Posting
Schedule Advances to Vendors:		
Schedule Prepayment to Other Govt	226/227	+ Advance
Schedule Prepayment to Non-Govt	228/229	+ Advance
Schedule Prepayment to Other Fund/Appn	250/251	+ Advance
Claim Cut - Decrease Prepayment	P53	- Advance
Receive Expenditure Data from Vendors:		
Liquidate Prepayments - Other Govt	488	- Advance + Expenditure
Liquidate Prepayments - Non-Govt	489	- Advance + Expenditure
Liquidate Prepayments to Other Fund/Appn	441	- Advance + Expenditure
Return of Prepayment to Vendor	P04	- Advance

SUB-GRANTEE ACCOUNTING

Sub-Grantee accounting applies to Federal pass-through or other grants that are made to cities, counties, area agencies and local education agencies. When the PC Table is established for these grants, Project Type is set to **3**-Local Agency Grant. One of the features of this Project Type is that the Vendor Number is posted to the GP File, thereby enabling agencies to control and report on grants by vendor. The Budget Allowable for all objects within a PN/WP may be loaded without a Vendor Number. When contracting with a particular vendor, a reversing entry can be made to adjust the original encumbrance and a new entry with the applicable contracting vendor entered simultaneously. This process allows agencies to monitor the entire grant and individual contractors.

FIFO EDITS ON GRANT PROJECT FILE ACCOUNTING TRANSACTIONS

Agencies receiving annual grants that state that monies from the prior grant period must be expended before the current grant funds can be expended are called FIFO Grants (First In, First Out method). The PC Table Project Type has alpha values (**A-E**) for each Project Type to identify them as FIFO PN/WP. If alpha values are used, the transactions posting to PN/WPs are subject to special FIFO edits.

The following rules apply to FIFO accounting:

- ✪ The Project Type in the PC Table for each PN/WP must be alpha (**A-E**).

- ✪ The 6-digit Project Number must be the same for all grant awards that are for the same purpose for grouping contracts together for FIFO accounting.

- ✪ The Work Phase for prior grant awards MUST have a lower value than the current grant awards. Therefore, all grant awards for the same purpose subject to the same FIFO accounting must have Work Phases in ascending order, earliest to most recent. For the purposes of FIFO project edits, Work Phases **00** through **20** (typically representing years 2000 through 2020) are treated as higher Work Phases than **21** through **99** (typically representing years 1921 through 1999).

- ✪ The PC Table Object Posting Level and Revenue Posting Level indicators must be the same for all Project Control Tables established with the same Project number. FIFO edits are performed only on matching records.

Only FIFO PN/WP transactions posting to Expenditures in the Grant Project File are edited for prior fund availability. CALSTARS processes those transactions as follows:

- ✪ CALSTARS first searches for a matching GP File record with an earlier Work Phase Start Date than the transaction, starting with the lowest value first. If a matching record is found, the financial fields for Budget Allowable, Accrued Expenditures, Expenditures, Encumbrances, Obligations and Advances are summed to determine if there is an available balance. If funds are available

(balance less than zero), the error message 'F56 - FIFO MONEY AVAILABLE' is issued. The transaction posts to the Error File. The agency must either change the Work Phase through Error Correction methods, modify one or more of the financial fields, or override the error, if appropriate. If no available balance is found at the oldest entry, the next successive entry is edited until an error posting is made or until the transaction Work Phase is reached. (Even if a balance is not sufficient to pay the transaction, the F56 error is issued).

✪ If funds are found in a prior Work Phase (based on Start Dates), an additional edit is performed to determine if the prior Work Phase period may be used to post this transaction. If the transaction document date is within the PN/WP start and ending dates, only the F56 error is issued. If the transaction document date is outside the PN/WP start and ending dates, the error message 'F88 - FIFO PROJECT CLOSED' is issued.

✪ If no PN/WP table entry is found, the error message 'E89 - FIFO PROJECT NOT IN PC' is issued.

✪ If all edits are successfully passed, the transaction is posted as recorded.

COST ALLOCATION/FUND SPLIT CONSIDERATIONS

This discussion is about how PN/WP is used in the Cost Allocation/Fund Split process. For more information on cost allocation and program cost accounting, see Volume 2, Chapter IV-CA and V.

CA Table Indicators

The CA Table Allocate by Project indicator controls whether PN/WP is included in the distribution base or charge and credit transactions during the cost allocation process, as follows:

✪ Code **0** - PN/WP is <u>ignored</u> during the cost allocation process.

✪ Code **1** - PN/WP is <u>included</u> in the calculations for cost allocation. The PN/WP is part of the cost allocation base. The charge and credit transaction carries PN/WP as recorded on the base.

> **EXCEPTION**: If the cost allocation method is Fixed Percentage (Type 4), PN/WP is ignored during the cost allocation process, because a base is not built for this distribution type.

Project Number/Work Phase in Fund Split

The PN/WP may be coded in an accounting transaction or may be become part of the accounting transaction through "look up". Whether PN/WPs are subject to fund split and whether the PN/WP identification is carried throughout the transaction to the applicable reports is discussed below. The funding information on the PA Table ultimate funding segment is used for fund split except when overridden by manual direct posting. Fund split is based on decision logic in the Operating File that compares the Operating File record fund segment with the ultimate fund of the PA Table segment for each Operating File record. The fund segment consists of Appropriation Symbol, Fund Source, Fund, Fund Detail (if applicable), Method, Project Number and Work Phase (if applicable).

The following two conditions must be met for the fund split process to occur for PN/WP:

✪ The combination of Appropriation Symbol, Fund, Fund Source, Fund Detail, and Method (AS/F/FS/FD/M) in the Operating File Record must be different from like items in the ultimate fund segment of the PA Table; and,

✪ There must be a dollar amount in the Operating File record.

NOTE: The Operating File records are based on accumulated amounts in a fiscal period; not individual transactions. If the net effect of all the transactions in a fiscal month for an Operating File record is zero, that record fails the second test for Fund Split. The record key for the Operating File includes AS/FS/F/FD/M as well as PN/WP for project accounting. Every transaction with a new or different PN/WP either directly coded or looked up by a PCA number creates a new record.

The table below assumes that each of the transaction possibilities creates a unique Operating File record and does not offset other previous amounts that cause the record to net to a zero balance. The table describes how PN/WP is treated in each instance. For this table, the collective term for the Appropriation Symbol, Fund Source, Fund, Fund Detail and Method fields is either "OP File Fund Segment" or "PA Table Ultimate Segment".

CONDITION				FUND SPLIT TRANSACTION ENTRIES	
PN/WP in accounting transaction?	OP File Fund Segment same as PA Table Ultimate Segment?	PN/WP on PA Table Ultimate Segment	Subject to Fund Split?	PN/WP on Charge Transaction?	PN/WP on Credit Transaction?
Yes	Yes	Yes or No	No	N/A	N/A
No	Yes	No	No	N/A	N/A
Yes	No	Yes or No	Yes	Yes Same as coded on accounting transaction. Overrides PA Table Ultimate Segment.	Yes Same as coded on accounting transaction.
No	No	Yes	Yes	Yes Uses PN/WP of PA Table Ultimate Segment.	No Must match OP File Fund Segment.
No	Yes	No	Yes	No	No

Project Number/Work Phase in Monthly Allocated Encumbrances

Encumbrance allocation occurs only when the Cost Allocation Type is **5**-Calculated Percentage or **4**-Fixed Percentage. The recovery transaction is coded to the PCA being allocated. The encumbrance allocation process does not use the credit PCA specified in the Cost Allocation Table. PN/WP is included in the transaction record and appears on the Q18/Q19/Q28/Q29 Report. All encumbrances are fund split per the distribution in the PCA Table.

Project Number/Work Phase in Annual Allocated Encumbrances

PN/WP is treated the same in the Operating File as Monthly Allocated Encumbrances. However, cost allocation records for Standards Costing must use the calculated percentage method, inception-to-date, based on salaries and wages. Annual Allocated Encumbrances appear only in the B04 Report, which is not classified by PN/WP. Annual Allocated Encumbrances do not post to the GP File because they are just a part of the state Year-end Closing process, and not the ongoing GP File, which may or may not correspond to the State Fiscal Year.

RECOMMENDED MINIMUMS FOR TABLES FOR PROJECT ACCOUNTING

Project accounting provides a great deal of flexibility. It can be made very simple or the more advanced features may be used. Advanced features result in a complex accounting treatment. This section contains recommendations on settings for the various tables to provide adequate project accounting at the least complicated level. We suggest agencies use these settings unless there is a specific need to develop a more complex system.

D23-Fund Detail Descriptor Table - Do not establish unless Fund Detail is to be used in Project Accounting. Many agencies encounter Fund Detail in their Special Deposit Fund (Fund **0942**). The determining factor is the fund level of control established by the SCO. If the SCO controls the fund at the Fund Detail level, set the Grant Project Fund Level Indicator to **1**.

D48-Object Conversion Descriptor Table - Do not establish unless it is important to display Object Detail codes in a different manner than the UCM Object Detail codes.

D40-Federal Catalog Number Descriptor Table - Must be established for each Federal agency and program furnishing funds. Establish this table before establishing either the PC Table or the PA Table.

D42-Project Descriptor Table - Must be established before establishing either the PC Table or the PA Table

Project Control Table:

Object Level Posting Indicator - Alpha settings (**B**-**E**) without fund are less complex than numeric settings (**1**-**4**) that include fund. Use numeric settings only when multiple funds are used in a PN/WP. Object Detail (**D** or **3**) or Agency Object (**E** or **4**) may be used without producing large reports, in most cases. If prepayments are expected, a minimum setting of **B** or **1** must be used. Once set, this indicator must not be changed over the life of the project.

Revenue Posting Level Indicator - Must be used for Federal Funds and advanced collections. Use **2**-Agency Source if Source code is defined at that level; otherwise use **1**-Source Code. Once set, this indicator must not be changed for the life of the project.

General Ledger Posting Indicator - Set this indicator to **0** unless there is a need to keep separate general ledgers by project (e.g., multiple Federal Trust Fund grants, etc.) or to have fund control by PCA.

Appropriation Control Type Indicator - Set this indicator to **2**-Advisory, unless there is a compelling need to send all appropriation overexpenditures to the Error File. (See recommended OC Table setting.)

Cash Control Indicator - Set this indicator to **2**-Advisory, unless there is a compelling need to send all cash overexpenditures to the Error File. (See recommended OC Table setting).